

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 03-25
)	
Michael P. Matsumoto,)	
)	
Respondent.)	
_____)	

CONCILIATION AGREEMENT

On or around September 2001, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondent Michael P. Matsumoto; President of SSFM International, Inc. The investigation also included Lee T. Takushi; Vice-President/Secretary, Clayton J. Wong; Vice-President/Treasurer and Norman M. Kawachika; Vice-President as officers of SSFM International, Inc. ("Officers"). Business Registration Division records list SSFM's purpose as structural and civil engineers and project construction management, whose business address is 501 Sumner Street, Suite 502, Honolulu, Hawaii. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Respondent and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondent and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or

corrective action taken by Respondent pursuant to section 11-216(g),
HRS.

- III. That Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondent waives the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondent enters into this Agreement with the Commission on his own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around September 2001, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the Jeremy Harris campaign committee ("Harris"), Ben Cayetano campaign committee ("Cayetano"), Kimo Apana campaign committee ("Apana"), Frank Fasi campaign committee ("Fasi"), Arnold Morgado campaign committee ("Morgado") and Mazie Hirono campaign committee ("Hirono") initiated an investigation involving violations of the campaign finance statutes of the State of Hawaii.
 - 2. Section 11-204(a)(1)(B), HRS, provides in relevant part as follows:

No person...shall make contributions to:...A candidate seeking nomination or election to a four-year statewide office or to the

candidate's committee in an aggregate amount greater than \$6,000 during an election period.

3. Section 11-204(a)(1)(C), HRS, provides in relevant part that no person shall make contributions to...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
4. Section 11-202, HRS provides in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.
5. Persons related or associated with Respondent, and/or one or more the Officers of SSFM and making contributions to the Harris, Cayetano, Apana, Fasi, Morgado and Hirono campaigns include:

Mitsuno Matsumoto	Mother of Mike Matsumoto
Theolinda Matsumoto	Wife of Mike Matsumoto
Paul Matsumoto	Son of Mike Matsumoto
Elsie Okada	Mother-in-law of Mike Matsumoto
David Matsumoto	Brother of Mike Matsumoto
Dennis Matsumoto	Brother of Mike Matsumoto
Mimi Matsumoto	Wife of David Matsumoto
Susan S. Matsumoto	Wife of Dennis Matsumoto
Darlene Eldred	Cousin of Mike Matsumoto
Sheryl Ann Matsumoto	Niece of Mike Matsumoto
Kazue Takushi	Mother of Lee Takushi
Umeko Nakamoto	Grandmother of Lee Takushi

George Nakamoto	Uncle of Lee Takushi
Eiko Nakamoto	Aunt of Lee Takushi
Kiyoko Moriyama	Mother-in-law of Lee Takushi
Glenn Moriyama	Brother-in-law of Lee Takushi
Joyce Moriyama	Sister-in-law of Lee Takushi
Lianne Moriyama	Sister-in-law of Lee Takushi
Matsue Tsuji	Sister of Kiyoko Moriyama
Kenneth W.G. Wong	Father of Clayton Wong
Almira C. Wong	Mother of Clayton Wong
Carol Ann Antoku	Sister of Clayton Wong
Noreen Kawachika	Wife of Norman Kawachika
Warren Sato	Employee
Ruth H. Sato	Mother of Warren Sato
Marsha Gibson	Cousin of Warren Sato
Dexter Okada	Brother-in-law of Warren Sato

Friends of Mike Matsumoto -

Andrea E.M. Inayoshi (aka Andrea Farm)

Jeffrey Katahara

Christie Katahara

Deena Kawata

Wayne S. Kido

Rodney Nakayama

Phyllis Ogasawara

Wayne Ogasawara

Ellen S.M. Ramos

Franklin Ramos

Clinton Sunada

Cynthia Sunada

Kenneth S. Sunada

Friends of Norman Kawachika -

Eric Harada

Earl Mente

J.T. Nagamine

Charles Uehara

Friends of Warren Sato -

Owen E. Abe

Melvin T. Watanabe

6. The election periods for the Harris campaign included the election period ending November 1996, the election period ending November 2000 and the period after the 2000 general election.
7. The Commission finds that for the period of review employees, friends and family members made contributions to the Harris campaign in the amount of \$212,000.
8. That for the 1996 elections employees and family members made contributions in the Harris campaign in the amount of \$20,000 as follows:

8/96	Jeffrey Katahara	\$4,000
	Mitsuno Matsumoto	\$4,000
	Umeko Nakamoto	\$4,000
8/96	Kazue Takushi	\$4,000
	Matsue Tsuji	\$4,000

9. That for the 2000 elections employees, friends and family members made contributions to the Harris campaign in the amount of \$156,000 as follows:

11/97	Jeffrey Katahara	\$4,000
	Ellen Ramos	\$2,000
	Franklin Ramos	\$2,000
	Dennis Matsumoto	\$4,000
	Susan Matsumoto	\$4,000
	Joyce Moriyama	\$4,000
	Kiyoko Moriyama	\$4,000
11/97	Umeko Nakamoto	\$4,000
	Rodney Nakayama	\$4,000
	Kazue Takushi	\$4,000
	Matsue Tsuji	\$4,000
	Mitsuno Matsumoto	\$4,000
	George Nakamoto	\$4,000
6/99	Glenn Moriyama	\$2,000
	Cynthia Sunada	\$4,000

	Carol Ann Antoku	\$4,000
	Wayne S. Kido	\$4,000
	Paul K. Matsumoto	\$4,000
	Mimi Matsumoto	\$4,000
	J.T. Nagamine	\$4,000
6/99	Phyllis Ogasawara	\$4,000
	Wayne Ogasawara	\$4,000
	Kenneth Sunada	\$4,000
	Almira Wong	\$4,000
	Kenneth Wong	\$4,000
	Andrea E.M. Farm	\$2,000
	Glenn Moriyama	\$1,000
10/99	David Matsumoto	\$4,000
11/99	Owen Abe	\$4,000
	Ruth Sato	\$4,000
	Melvin Watanabe	\$4,000
	William Hironaka	\$4,000
12/99	Darlene Eldred	\$4,000
	Liane Moriyama	\$3,000
	Andrea E.M. Farm	\$1,000
12/99	Andrea E.M. Farm	\$1,000
3/00	Sheryl Ann Matsumoto	\$2,000
	Charles Uehara	\$4,000
	Lori Young	\$4,000
	Eric Harada	\$4,000
3/00	Earl Mente	\$4,000
	Clinton Sunada	\$4,000
	Deena Kawata	\$4,000

10. That for the period following the 2000 elections family members and friends made contributions to the Harris campaign in the amount of \$36,000 as follows:

7/01	Joyce Moriyama	\$6,000
	Kiyoko Moriyama	\$6,000
	Matsue Tsuji	\$4,000
	Umeko Nakamoto	\$6,000
	Kazue Takushi	\$6,000
8/01	Dexter Okada	\$4,000
	Marsha Gibson	\$4,000

11. The Commission finds that Respondent, and/or one or more of the Officers made contributions in the name of another to the Harris campaign in the amount of \$212,000.
12. The Commission finds that Respondent, and/or one or more of the Officers made contributions to the Harris campaign in excess of the contribution limits for the 1996 election period in the amount of \$16,000.
13. The Commission finds that Respondent, and/or one or more of the Officers made contributions to the Harris campaign in excess of the contribution limits for the 2000 election period in the amount of \$152,000.
14. The Commission finds that Respondent, and/or one or more of the Officers made contributions to the Harris campaign in excess of the contribution limits for the period following the 2000 elections in the amount of \$30,000.
15. The election period for the Cayetano campaign included the period from 1995 through the general election of 1998.
16. The Commission finds that for the 1998 election period Respondent, and/or one or more of the Officers made contributions to the Cayetano campaign in the amount of \$106,500.
17. Friends and family members made contributions to Cayetano as follows:

1/96	Mitsuno Matsumoto	\$2,000
4/97	Dennis Matsumoto	\$2,000

	Mitsuno Matsumoto	\$2,000
	Glenn Moriyama	\$6,000
	Joyce Moriyama	\$6,000
	Kiyoko Moriyama	\$6,000
	Lianne Moriyama	\$6,000
4/97	Umeko Nakamoto	\$6,000
	Rodney Nakayama	\$4,000
	Phyllis Ogasawara	\$6,000
	Wayne Ogasawara	\$6,000
	Franklin Ramos	\$6,000
	Kazue Takushi	\$6,000
	Matsue Tsuji	\$6,000
	Mitsuno Matsumoto	\$2,000
5/97	Eiko Nakamoto	\$ 500
	George Nakamoto	\$ 500
12/97	Mitsuno Matsumoto	\$1,000
	Susan S. Matsumoto	\$1,000
	Dennis Matsumoto	\$1,000
4/98	Susan Matsumoto	\$2,000
7/98	Theolinda Matsumoto	\$ 500
8/98	Andrea Inayoshi	\$ 500
	Andrea Inayoshi	\$ 500
	David Matsumoto	\$4,000
	Mimi Matsumoto	\$6,000
	Theolinda Matsumoto	\$5,500
	Jeffrey Katahara	\$5,500
9/98	Darlene Eldred	\$4,000
10/98	Andrea Inayoshi	\$1,000

18. The Commission finds that Respondent, and/or one or more of the Officers made contributions in the name of another to the Cayetano campaign in the amount of \$100,500.
19. The Commission finds that Respondent, and/or one or more of the Officers made contributions to the Cayetano campaign in excess of the contribution limits for the 1998 election period in the amount of \$100,500.

20. The Commission finds that Respondent, and/or one or more of the Officers made contributions to Apana through friends and family members from 1998 through 2001 in the amount of \$30,500.

21. Contributions to Apana were made by the following individuals:

10/98	Kiyoko Moriyama	\$2,000
	Matsue Tsuji	\$3,000
4/00	Almira C. Wong	\$2,000
	Kenneth W.G. Wong	\$2,000
6/01	Kenneth W.G. Wong	\$ 500
6/01	Kiyoko Moriyama	\$4,000
	Lianne Moriyama	\$3,000
	Umeko Nakamoto	\$2,000
	Kazue Takushi	\$4,000
	Matsue Tsuji	\$4,000
	Joyce Moriyama	\$4,000

22. The Commission finds that Respondent, and/or one or more of the Officers made contributions in the name of another to the Apana campaign in the amount of \$30,500.

23. The Commission finds that for the 1998 election period Respondent, and/or one or more of the Officers made contributions in excess of the contribution limits to the Apana campaign in the amount of \$1,000.

24. The Commission finds that for the 2002 election period Respondent, and/or one or more of the Officers made contributions in excess of the contribution limits to the Apana campaign in the amount of \$21,500.

25. The election period for the Fasi campaign for Governor of Hawaii included the period from January 1995 to November 1998.

26. The Commission finds that Respondent, and/or one or more of the Officers made contribution to the Fasi campaign through friends and family members in the amount of \$20,000.

27. Contributions to the Fasi campaign were made by the following individuals:

8/98	Paul Matsumoto	\$6,000
	Noreen Kawachika	\$4,000
	Carol Ann Antoku	\$3,000
	Sheryl Ann Matsumoto	\$4,000
	Almira Wong	\$3,000
5/97	Eiko Nakamoto	\$ 500

28. The Commission finds that Respondent, and/or one or more of the Officers made contributions in the name of another to the Fasi campaign in the amount of \$20,000.

29. The Commission finds that Respondent, and/or one or more of the Officer made contributions to the Fasi campaign in excess of the contribution limits for the 1998 election period in the amount of \$14,000.

30. The election period for the Morgado campaign for the office of Mayor of Honolulu included the period from January 1995 to November 1996.

31. The Commission finds that Respondent, and/or one or more of the Officers made contributions to the Morgado campaign through friends and family members in the amount of \$27,000.

32. Contributions to the Morgado campaign were made by the following individuals:

4/96	Michael Matsumoto	\$1,000
6/96	David Matsumoto	\$2,000
	Mitsuno Matsumoto	\$1,000
	Kiyoko Moriyama	\$2,000
	Rodney Nakayama	\$2,000
	Phyllis Ogasawara	\$2,000
	Wayne Ogasawara	\$2,000
7/96	Elsie Okada	\$2,000
	Ellen Ramos	\$2,000
	Franklin Ramos	\$2,000
	Darlene Eldred	\$2,000
	Dennis Matsumoto	\$2,000
	Susan Matsumoto	\$2,000

33. The Commission finds that Respondent, and/or one or more of the Officers made contribution in the name of another to the Morgado campaign in the amount of \$26,000.
34. The Commission finds that Respondent, and/or one or more of the Officers made contributions to the Morgado campaign in excess of the contribution limits in the amount of \$23,000.
35. The election period for the Hirono campaign committee for the office of Lieutenant Governor of Hawaii included the period from November 1994 to November 1998.
36. The Commission finds that Respondent, and/or one or more of the Officers made contributions to the Hirono campaign through friends and family members in the amount of \$4,300.
37. Contributions to the Hirono campaign were made by the following individuals:

9/97	Mitsuno Matsumoto	\$2,000
	Mitsuno Matsumoto	\$ 500
	Mitsuno Matsumoto	\$ 300

10/97	Joyce Moriyama	\$1,000
1/99	Clayton Wong	\$ 500

38. The Commission finds that Respondent, and/or one or more of the Officers made contributions in the name of another to the Hirono campaign in the amount of \$4,300.

39. In the interest of entering into a conciliation agreement with Michael Matsumoto the Commission does not identify the candidates to whom the contributions were made, but individuals receiving funds and making contributions include:

1/97	Franklin Ramos	\$6,000
	Darlene Eldred	\$6,000
7/98	Roy Shimabukuro	\$4,000
3/99	Norman Kawachika	\$ 500
8/01	Warren Sato	\$8,000
10/01	Clayton Wong	\$4,000

40. The Commission finds that Respondent, and/or one or more of the Officers has violated section 11-202, HRS, making campaign contributions in the name of another to the Harris, Cayetano, Apana, Fasi, Morgado and Hirono campaign committees.

41. The Commission finds that Respondent, and/or one or more of the Officers has violated section 11-204, HRS, making campaign contribution to Harris Cayetano, Apana, Fasi, and Morgado campaign committees in excess of the contribution limits.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement

#03-25, Respondent understands and agree to the following:

- (A) Respondent agrees to an assessment of **Three Hundred Three Thousand Dollars (\$303,000.00)** pursuant to section 11-228, HRS.
- (B) Respondent agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (C) Terms of payment of the assessment shall be by Order of the Commission.
- (D) This Agreement is not to be construed as an admission of any misconduct, liability or fault of any kind whatsoever by Respondent, but compromises and settles a dispute for the purpose of avoiding further controversy, litigation and expense.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.

- X. This Agreement constitutes the entire agreement between the Commission and Respondent on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENT(S)

Michael P. Matsumoto

By: _____

(Name)

(Title)

Date: _____